

Agency 124

Department of Retirement Systems**Recommendation Summary**

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	264.1	53,116	53,116
Total Maintenance Level	247.6	53,265	53,265
Difference	(16.6)	149	149
Percent Change from Current Biennium	(6.3)%	0.3%	0.3%
Performance Changes			
Suspend Plan 1 Uniform COLA #		(590)	(590)
State Data Center Rate Increase		319	319
Subtotal		(271)	(271)
Total Proposed Budget	247.6	52,994	52,994
Difference	(16.6)	(122)	(122)
Percent Change from Current Biennium	(6.3)%	(0.2)%	(0.2)%
Total Proposed Budget by Activity			
Administration	9.1	5,155	5,155
Deferred Compensation Management for Public Employees	19.0	3,365	3,365
Member Data Services	22.6	3,895	3,895
One-Time Projects		(1)	(1)
Retirement Customer Services	115.0	18,041	18,041
Retirement Information Systems	56.4	15,849	15,849
Trust Fund Accounting	23.0	6,173	6,173
Other Statewide Adjustments	1.1	235	235
Old Age and Survivors Insurance (OASI) Program	1.5	282	282
Total Proposed Budget	247.6	52,994	52,994

ACTIVITY DESCRIPTIONS**Administration**

Agency management activities include executive leadership, budget, fiscal and legal services, and policy and planning support to the Governor on pension issues, personnel, and other administrative support services. The authority for the Department of Retirement Systems (DRS) is established by RCW 41.50.

GOVERNMENTAL OPERATIONS

Deferred Compensation Management for Public Employees

This program enables eligible public employees to defer a portion of their earnings under a series of before-tax investment plans until retirement or termination of public employment. At the end of Fiscal Year 2009, the program had \$2.2 billion in assets, serving more than 53,000 employees of state government, higher education, and political subdivisions. This activity also includes a supplemental retirement program serving more than 200 judges. Authority for the Deferred Compensation Plan is contained in RCW 41.50 and Section 457 of the Internal Revenue Code, while authority for the Judges program is contained in RCW 2.12.

Member Data Services

This activity receives and processes essential member information submitted by more than 1,300 public employers. It also contains the unit responsible for conducting field audits of and providing training to those public employers, to ensure their compliance with state laws and regulations. Authority for DRS is established in RCW 41.50.

One-Time Projects

This activity contains the one-time costs associated with legislative projects approved and funded each session, which are then removed in the carry-forward level calculation process each biennium.

Retirement Customer Services

The Department of Retirement Systems (DRS) serves over half a million active, retired, and inactive members of the Public Employees, School Employees, Teachers, Law Enforcement and Firefighters, Washington State Patrol, Public Safety Employees, and Judicial retirement systems. Services include determining eligibility for retirement, educating and counseling prospective retirees, processing disability and death adjustments, and computing retirement benefits, deductions, and benefit adjustments. Authority for administering the retirement systems is established in RCW 2.10, 2.12, 41.26, 41.32, 41.34, 41.35, 41.37, 41.40, and 43.43. DRS also must conform to legislative mandates established in RCW 28.B10, 41.44, 41.45, 41.54, and 44.44.

Retirement Information Systems

DRS receives and manages essential information and records for members and retirees. Information services support includes database management, systems development, electronic communications support, system maintenance and troubleshooting, data collection and processing, and disbursement processing. Authority for DRS is established in RCW 41.50.

Trust Fund Accounting

DRS administers retirement benefits for state and local government employees. At the end of Fiscal Year 2009, the pension trust funds contained \$50 billion in assets, contributions totaled \$2.4 billion, and disbursements exceeded \$2.8 billion to an average of over 130,000 retirees each month. This activity contains the costs associated with all phases of accounting for the pension/trust funds, including collection of contributions, withdrawals and monthly pension disbursements, and IRS reporting. Authority for DRS is established in RCW 41.50.

Other Statewide Adjustments

This item reflects proposed compensation and other adjustments that were not allocated to individual agency activities. This agency will assign these costs to the proper activities after the budget is enacted.

Old Age and Survivors Insurance (OASI) Program

This activity administers the Social Security and Medicare coverage program, also known as Old Age Survivor Insurance (OASI), for all state and local (public) government employers throughout the state of Washington, by serving as a facilitator and communication bridge between those employers and the Social Security Administration and Internal Revenue Service.

GOVERNMENTAL OPERATIONS